GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:4148
ANSWERED ON:18.04.2002
PAYMENT CRITERIA BY CONTRACTORS
SULTAN SALAHUDDIN OWAISI

Will the Minister of RAILWAYS be pleased to state:

(a) whether railway catering corporation has asked the contractors to seek ISO9001 and certificates based on hazard and accident control check points;

(b) if so, the details thereof;

(c) whether railways have also changed the payment criteria by contractors to railways;

(d) if so, the details thereof;

(e) whether there was a vast scope for manipulation for paying licence fee to railways on per cent basis earned by contractors;

(f) whether railways has fixed licence fee which is not based on earning of contractors;

(g) if so, the details thereof; and

(h) the extent to which this system is likely to minimize the manipulation in payment to railways?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINIST RAILWAYS (SHRI O. RAJAGOPAL)

(a) & (b) Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) has not asked the contractors to seek ISO 9001. However, catering licensees should have quality control systems comparable with Hazard Analysis Critical Control Point (HACCP) or equivalent good industry practices.

(c) Yes, Sir.

(d) As per Catering Policy 2000, licences to major catering unitsare awarded through open tender under two packets system. Packet 'A' will contain technical offer and Packet 'B'will contain the financial bid. The financial bid will be in terms of a percentage commission on sales turnover which will be payable by the licensees to the Railways. This will be in addition to the prescribed percentage of licence fee over sales turnover i.e. 15% in case of Rajdhani and Shatabdi and 12% in other mobile/static units.

For other than major catering units, a consolidated licence fee based on 12% of annual sales turnover is charged and no other charges such as rent for building/land, vendor's fee or conservancy charges, etc. are recoverable.

(e) No, Sir. Under the old policy, there was no provision for competitive financial bidding for award of catering/vending licences.

(f) to (h) Under two packet tender system, floor level licence fee is decided based on a fixed percentage of estimated sales turnover. Tenderers are asked to quote over and above the floor level licence fee and major contracts are awarded on competitive bidding to maximise revenue earning, and there is no scope for any manipulation.